

Study: The labour market in Canada and the United States since the last recession, 2007 to 2014

Released at 8:30 a.m. Eastern time in The Daily, Wednesday, July 30, 2014

In June 2014, the unemployment rate in Canada, adjusted to US concepts, was 6.1%, a rate identical to that in the United States.

From May 2008 to May 2014, the Canadian unemployment rate remained below that in the United States. In November 2010, the difference between the unemployment rates in the United States and Canada was 3.1 percentage points. That marked the largest difference in Canada's favour since 1976. The gap between the two unemployment rates then gradually narrowed as the decline in the unemployment rate in the United States was more rapid than the decline in Canada.

Declining unemployment rates in Canada and the United States over the past four years have been largely driven by declines in labour force participation. The participation rate—the percentage of the working-age population that is employed or looking for work—has declined in both countries since the beginning of the last downturn.

In Canada, the participation rate adjusted to US concepts was at its pre-recession peak in April 2008 at 67.9%. The rate has since declined to 66.0% as of May and June 2014. This was the lowest participation rate in Canada since August 2001.

The participation rate in the United States was 66.4% in January 2007. It subsequently fell by 3.6 percentage points and for the fifth time in nine months stood at 62.8% in June 2014, which was the lowest level since March 1978.

In Canada, the participation rate among prime-age workers aged 25 to 54 remained relatively stable during and after the recession, before declining 1.1 percentage points to 84.9% from November 2013 to June 2014.

In the United States, the decline in the participation rate among that same age group was larger and more gradual. At 80.9% in June 2014, it was 2.5 percentage points lower than it was in January 2007.

In the United States as in Canada, the employment rate, the proportion of the working-age population that is employed, remained relatively stable over the past five years. In Canada, the employment rate in June 2014, adjusted to US concepts, stood at 62.0%, a rate identical to that of July 2009. In the United States, the employment rate did not change much from the end of the last recession to 2013. It increased slightly in the wake of a rise in employment growth in the first half of 2014. It stood at 59.0% in June 2014. A stable employment rate indicates that employment growth is similar to growth in the working-age population.

Note to readers

This article reports on recent labour market trends in both Canada and the United States since the last recession. The data for Canada come from Statistics Canada's Labour Force Survey, while those for the United States come from the Current Population Survey, a survey produced for the Bureau of Labor Statistics. For the purposes of comparison, the Canadian data have been adjusted to follow the concepts used in the United States.



Definitions, data sources and methods: survey number 3701.

The study "The Labour Market in Canada and the United States since the Last Recession," part of the *Economic Insights* series (11-626-X), is now available from the *Browse by key resource* module of our website under *Publications*.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

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